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17 **IN THE UNITED STATES DISTRICT COURT**
18 **FOR THE DISTRICT OF ARIZONA**

19 **PH 4 CORPORATION, a Michigan**
20 **Corporation; and DEL WEBB**
21 **CORPORATION, a Delaware Corporation**

Civil Action no. 2:08-cv-00598 PHX-SRB

22 **Plaintiffs,**

23 **JOINT SCHEDULING CONFERENCE**
24 **REPORT PURSUANT TO FRCP 26(f)**

25 **v.**

26 **ANTHEM MORTGAGE INVESTMENT**
27 **CORPORATION, an Arizona Corporation; and**
28 **WENDY A. PELLEGRINO, an individual,**

29 **Defendants.**

30 Pursuant to Federal Rule of Civil Procedure 26(f), a joint meeting was held by telephone on
31 November 3, 2008 and was attended by Abby C. Moskovitz, attorney for Plaintiffs PH4
32 Corporation and Del Webb Corporation, and Gregory C. Poulos, attorney for Defendants Wendy A.
33 Pellegrino and Anthem Mortgage Investment Corp.. In accordance with the Court's Order dated
34
35

1 September 25, 2008, the parties, by and through their attorneys, hereby submit their Joint
2 Scheduling Conference Report.

3 1. The Nature of the Case

4 Plaintiffs bring this case alleging federal trademark infringement and unfair competition
5 under 15 U.S.C. §§1114 and 1125(a), common law unjust enrichment and trademark infringement,
6 violation of the Anticybersquatting Consumer Protection Act, 15 U.S.C. §1125(d), and violation of
7 A.R.S. §44-1451 for trademark and trade name infringement based on the Defendants' use of the
8 ANTHEM mark in connection with her residential mortgage services and the registration of the
9 domain name anthemmortgage.com. Plaintiffs allege in their Complaint that they have been using
10 the ANTHEM mark in connection with developing, constructing, and maintaining residential
11 communities, and marketing and selling residences therein since at least March 1999. In particular,
12 Plaintiffs are currently offering homes for sale in their multi-use residential community, ANTHEM,
13 in and near Anthem, Arizona. They allege that Defendants have been using the ANTHEM mark in
14 connection with their residential mortgage services in and near the Anthem development in
15 violation of Plaintiffs' rights to the ANTHEM mark.

16 Defendants deny Plaintiffs' claims, defending on the grounds that: 1) the Plaintiffs' claims
17 barred by the doctrines of laches, estoppel, acquiescence, waiver, and the applicable statute of
18 limitations, 2) the ANTHEM mark is not famous or distinctive; 3) the Defendants' use of the
19 ANTHEM mark is fair use; 4) there is no confusion from the Defendants' use of the ANTHEM
20 mark; 5) Plaintiffs have abandoned their rights to the ANTHEM mark; 6) Plaintiffs' claims are
21 barred by the First Amendment of the United States Constitution; 7) Plaintiffs have unclean hands
22 and are using the legal process for an improper purpose; 8) the alleged infringement was unknowing
23 and innocent; and 9) Plaintiffs' state law claims are preempted by federal law. The Defendants
24 have brought counterclaims for declaratory judgment that: 1) the Defendants have not created a
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1 likelihood of confusion; 2) the Plaintiffs' marks are not famous or distinctive and the Defendants
 2 have not conducted any activities that constitute trademark dilution or false designation of origin;
 3 3) Defendants have not conducted any false designation of origin or unfair competition; 4) the
 4 Defendants have not violated the Anticybersquatting Consumer Protection Act; 5) the Defendants
 5 have not violated Arizona Revised Statutes Trade and Commerce Article 3, §§44-1441, *et. seq.*; and
 6 6) the Plaintiffs are precluded from bringing the claims asserted in the Complaint under the
 7 doctrines of estoppels, waiver, acquiescence, laches, or the applicable statute of limitations because
 8 Plaintiffs should have known of Defendants' use of the mark since 2001 and acted unreasonably in
 9 not bringing these claims earlier. Defendants also counterclaim for an injunction prohibiting the
 10 Plaintiffs from attempting to cancel the Defendants' domain name. The Defendants have denied the
 11 Plaintiffs' counterclaims based on the facts supporting their own claims against Defendants.

12 2. Elements of Proof

13 In order to succeed on its claims, Plaintiffs must prove the following:

- 14 • Counts I, III, and VI (Federal, Arizona Common Law, and Arizona Statutory
 15 Trademark Infringement): Plaintiffs must (1) ownership of a valid mark (i.e., a
 16 protectable interest), and (2) that the alleged infringer's use of the mark is likely to
 17 cause confusion, or to cause mistake, or to deceive consumers. *KP Permanent*
Make-Up, Inc. v. Lasting Impression I, Inc., 408 F.3d 596, 602 (9th Cir. 2005);
Designer Skin, LLC v. S & L Vitamins, Inc., 560 F. Supp.2d 811, 816 n.1 (D. Ariz.
 18 2008) (elements of state common law, statutory, and federal trademark infringement
 claims the same).
- 19 • Count II (Unfair Competition): Plaintiffs must show that Defendants: 1) used the
 20 ANTHEM mark in connection with any goods and services; and 2) that such use is
 21 likely to cause confusion, or to cause mistake, or to deceive as to the affiliation,
 22 connection, or association of such with another person, or as to the origin,
 23 sponsorship, or approval of his or her goods, services, or commercial activities by
 another person. 15 U.S.C. §1125(a). Under Arizona law, to maintain an action for
 unfair competition, a plaintiff must show either "that it was engaged in competitive
 business with [the defendant] or that [the defendant's] actions were likely to produce
 public confusion." *Sutter Home Winery, Inc. v. Vintage Selections, Ltd.*, 971 F.2d
 401, 407 (9th Cir. 1992).

- 1 • Count IV (Unjust Enrichment): To prevail on an unjust enrichment claim, a plaintiff
2 must show: (1) an enrichment, (2) an impoverishment, (3) a connection between the
3 enrichment and the impoverishment, (4) the absence of justification for the
4 enrichment and the impoverishment, and (5) the absence of a legal remedy.
5 *Trustmark Ins. Co. v. Bank One, Ariz., N.A.*, 48 P.3d 485, 202 Ariz. 535 (Ariz. Ct.
6 App. 2002).
- 7 • Count V (Violation of Anticybersquatting Consumer Protection Act): Plaintiff must
8 show that “without regard to the goods or services of the parties, [the defendant]
9 (i) has a bad faith intent to profit from that mark, including a personal name which is
10 protected as a mark under this section; and(ii) registers, traffics in, or uses a domain
11 name that --(I) in the case of a mark that is distinctive [****16**] at the time of
12 registration of the domain name, is identical or confusingly similar to that mark....”
13 15 U.S.C. §1125(d).

14 In order to succeed on their counterclaims, Defendants must prove the following:

- 15 • Counterclaim – “Classic” Fair Use - Count I (Declaratory Judgment) and Count II
16 (Injunction): The defendants must show that the use of the name, term, or device
17 charged to be an infringement is a use, otherwise than as a mark, of the party's
18 individual name in his own business, or of the individual name of anyone in privity
19 with such party, or of a term or device which is descriptive of and used fairly and in
20 good faith only to describe the goods or services of such party, or their geographic
21 origin. 15 U.S.C. §1115(b)(4)

22 3. The Factual and Legal Issues in Dispute

23 The primary issues in this case will be the validity of the Plaintiffs’ ANTHEM mark, whether
24 the Defendants’ use of the ANTHEM mark results in a likelihood of confusion, and if so, whether
25 the Plaintiffs are entitled to any damages. At this point, there do not appear to be any issues to
 which the parties can stipulate, but they will be reasonable as discovery progresses and will
 stipulate to matters to which there is not reasonable basis for dispute.

 The parties believe that the above issues may be resolved on summary judgment, but that
 these will not be filed until at least some discovery has been taken.

4. Jurisdictional Basis

 This Court has jurisdiction in this case under the Lanham Act, 15 U.S.C. § 1051 et seq., and
 28 U.S.C. §1331. Additionally, because this case involves allegations of trademark infringement

1 and unfair competition, this Court has original jurisdiction pursuant to 28 U.S.C. §§ 1338(a) and
2 (b). This Court also has supplemental jurisdiction of the state law claims under 28 U.S.C. §1367.

3 5. Parties Not Joined or Responding

4 At this time, the parties are not aware of any other parties that need to be added to this case.

5 6. Parties Not Subject to the Court's Jurisdiction

6 There are no parties that are not subject to this Court's jurisdiction.

7 7. Pretrial Motions

8 As stated in Paragraph 3, there may be issues appropriate for summary judgment, but the
9 parties do not anticipate filing any such motions until at least some discovery has been taken. After
10 some discovery has been taken, the parties may file motions seeking to resolve issues pertaining to
11 the validity of Plaintiffs' trademarks, whether a likelihood of confusion exists, and if so, whether
12 Plaintiffs are entitled to a monetary award.

13 8. Whether Case Can be Referred to Arbitration, Master, or Magistrate Judge

14 The parties agree that appointment to a Magistrate Judge for pretrial proceedings and
15 discovery issues may be appropriate as described in 28 U.S.C. §636(b), but the Plaintiffs do not
16 consent to the referral of the dispositive motions or trial to a Magistrate Judge under 28 U.S.C.
17 §636(c).

18 9. The Status of Related Cases Pending Before this Court or any other Court

19 There are no related cases pending in this court or any other court or administrative tribunal.

20 10. Initial Disclosures

21 The parties do not suggest any changes to the disclosures required under Federal Rule of
22 Civil Procedure 26(a), and have agreed to exchange initial disclosures by November 17, 2008.

23 11. Proposed Deadlines

24 a) Discovery: By August 31, 2009

1 b) Dispositive Motions: By October 15, 2009

2 c) Disclosure of Expert Testimony: Plaintiffs by May 31, 2009; Defendants by June
3 31, 2009; Plaintiffs' rebuttal by July 15, 2009.

4 d) Pretrial Disclosures: By November 30, 2009

5 e) Final Pretrial Conference: February 1, 2010

6 12. The Scope of Discovery

7 Discovery will primarily concern the parties' use of the ANTHEM mark and the
8 Defendants' profits. These factual matters will be relevant to summary judgment motions
9 concerning the validity of the Plaintiffs' mark, the likelihood of confusion, and the Plaintiffs'
10 entitlement to a monetary award, including Defendants' profits. The parties do not know of any
11 particular matters that should be discovered before others to more efficiently litigate the case,
12 except that discovery regarding the Defendants' profits may help the parties settle the matter.

13 13. Limitations on Discovery

14 The parties do not believe that any changes need to be made to the discovery rules.

15 14. Trial

16 The parties expect this case to be ready for trial by March 1, 2010. Although it is very
17 difficult to anticipate the length of the trial, the parties estimate that it could take approximately one
18 week for trial. The parties may be able to stipulate to certain facts concerning the ANTHEM mark
19 that could shorten the length of the trial.

20 15. Jury

21 A jury trial has been requested, and it is not contested.

22 16. Settlement

23 The parties are exploring settlement options, and may request that the case be referred to a
24 U.S. Magistrate Judge for a settlement conference if independent efforts are not successful.
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